

TEXAS NURSING FACILITY
ENHANCED DIRECT CARE STAFF RATE

2015 NURSING FACILITY COST REPORT
RATE ENHANCEMENT

OPTIONAL WORKSHEETS AND INSTRUCTIONS

NOTE: These worksheets are provided for your own information and
should be retained in your files for future reference.

Do not return them to the Texas Health and Human Services Commission

For assistance with the completion of these worksheets, contact the Rate Enhancement Analyst for
this program listed on the following webpage:

<http://www.hhsc.state.tx.us/rad/long-term-svcs/contacts.shtml>.

A project of
The Texas Health and Human Services Commission

WORKSHEET 1:

Estimate Weighted Averages and Percentages

TASK 1

On Worksheet 1, Task 1, Total Days of Service in Medicaid-Contracted Beds should include units for Fee-For-Service, Medicaid Hospice, STAR+PLUS, and Dual-Eligible Demonstration.

- A. Sum Total Days of Service in Medicaid Contracted Beds in Step 5e for all reporting periods: 02/01/14-08/31/14, 09/01/14-08/31/15, and 09/01/15-12/31/15. Enter the result in Box A. This is your total days of service in Medicaid-contracted beds.
- B. Divide TOTAL Days of Service in Medicaid-Contracted Beds 02/01/14 thru 08/31/14 in Step 5e by Box A and enter the quotient in Box B. This is your percentage of total days of service in Medicaid-contracted beds for reporting period 2/1/14 – 8/31/14.
- C. Divide TOTAL Days of Service in Medicaid-Contracted Beds 09/01/14 thru 08/31/15 in Step 5e by Box A and enter the quotient in Box C. This is your percentage of total days of service in Medicaid-contracted beds for reporting period 9/1/14 – 8/31/15.
- D. Divide TOTAL Days of Service in Medicaid-Contracted Beds - 09/01/15 thru 12/31/15 in Step 5e by Box A and enter the quotient in Box D. This is your percentage of total days of service in Medicaid-contracted beds for reporting period 9/1/15 – 12/31/15.
- E. Sum TOTAL DAYS OF SERVICE for all reporting periods: 02/01/14 thru 08/31/14, 09/01/14 thru 08/31/15, and 09/01/15 thru 12/31/15. Enter the result in Box E. This is your total days of service.
- F. Divide TOTAL DAYS OF SERVICE 02/01/14 thru 08/31/14 by Box E and enter the quotient in Box F. This is your percentage of total days of service for reporting period 2/1/14 – 8/31/14.
- G. Divide TOTAL DAYS OF SERVICE 09/01/14 thru 08/31/15 by Box E and enter the quotient in Box G. This is your percentage of total days of service for reporting period 9/1/14 – 8/31/15.
- H. Divide 974: TOTAL DAYS OF SERVICE - 09/01/15 thru 12/31/15 by Box E and enter the quotient in Box H. This is your percentage of total days of service for reporting period 9/1/15 – 12/31/15.

TASK 2

- A. Sum the products of Box B multiplied by 1.4615, Box C multiplied by 1.4615 and Box D multiplied by 1.4615. Enter the result in Box I. This is your weighted average Registered Nurse (RN) conversion factor.
- B. Sum the products of Box B multiplied by 0.4872, Box C multiplied by 0.4872 and Box D multiplied by 0.4872. Enter the result in Box J. This is your weighted average Medication and

- Certified Nurse Aide (Aide) conversion factor.
- C. Sum the products of Box F multiplied by 12.15, Box G multiplied by 12.15 and Box H multiplied by 12.62. Enter the result in Box K. This is your weighted average dietary revenue per diem.
 - D. Sum the products of Box F multiplied by 6.57, Box G multiplied by 6.57 and Box H multiplied by 6.83. Enter the result in Box L. This is your weighted average fixed capital revenue per diem.
 - E. Sum the products of Box B multiplied by 0.3900, Box C multiplied by 0.4000 and Box D multiplied by 0.4000. Enter the result in Box M. This is your weighted average enhancement level increment.

NOTE: *Once you have completed Worksheet A, then you will be able to complete Task F through Task Q.*

- F. Enter the minimum required LVN equivalent minutes for reporting period 2/1/14 – 8/31/14 from Box A22.
 - G. Enter the minimum required LVN equivalent minutes for reporting period 9/1/14 – 8/31/15 from Box A37.
 - H. Enter the minimum required LVN equivalent minutes for reporting period 9/1/15 – 12/31/15 from Box A52.
 - I. Sum Boxes A22, A37 and A52. Enter the result in Box N. This is your total minimum required LVN equivalent minutes for this report.
- Sum Boxes A23, A38 and A53. This is your total days of service in Medicaid-contracted beds including Hospice, Star+Plus, and Dual-Eligible Demonstration.
- Divide Box N by the total days of service in Medicaid-contracted beds including Hospice, Star+Plus, and Dual-Eligible Demonstration and enter the result in Box O. This is your estimated weighted average minimum required LVN equivalent minutes per resident day for participation for this report.
- Enter the direct care revenue per diem for reporting period 2/1/14 – 8/31/14 from Box A65.
- Enter the direct care revenue per diem for reporting period 9/1/14 – 8/31/15 from Box A72.
- Enter the direct care revenue per diem for reporting period 9/1/15 – 12/31/15 from Box A79.
- Sum Boxes A65, A72, and A79. Enter the result in Box P. This is your total direct care revenue per diem.
- Sum Boxes A60, A67 and A74. This is your total Medicaid days of service excluding Hospice.
- Divide Box P by the total Medicaid days of service excluding Hospice and enter the result in Box Q. This is your estimated direct care revenue per diem for this report.

WORKSHEET A:

Estimate Compliance with Spending Requirements

NOTE: Facilities participating in the enhanced direct care staff rate are subject to a direct care staff spending requirement as well as a staffing requirement.

TASK A1

- A. Multiply total employee RN hours from Step 6c of your cost report by the weighted average from Box I. Multiply the product by 60. Enter the result in Box A1.
- B. Multiply total contract RN hours from Step 6c of your cost report by the weighted average from Box I. Multiply the product by 60. Enter the result in Box A2.
- C. Multiply total employee LVN hours from Step 6c of your cost report by 60. Enter the result in Box A3.
- D. Multiply total contract LVN hours from Step 6c of your cost report by 60. Enter the result in Box A4.
- E. Sum total employee Aide hours from Step 6c of your cost report. Include Medicaid Aides, Restorative Aides, and Nurse Aides. Multiply the sum by the weighted average from Box J. Multiply the product by 60. Enter the result in Box A5.
- F. Sum total Contracted Aide hours from Step 6c of your cost report. Include Contract Medicaid Aides and Contract Certified Nurse Aides. Multiply the sum by the weighted average from Box J. Multiply the product by 60. Enter the result in Box A6.
- G. Sum Boxes A1, A2, A3, A4, A5 and A6. Enter the sum in Box A7.
- H. Enter the total days of service in Medicaid-contracted beds from Box A in Box A8.
- I. Divide Box A7 by Box A8. Enter the result in Box A9. This is your estimated staffing level in LVN equivalent minutes per resident day during your reporting period.

TASK A2 - All references to "reporting period" in the following Tasks refer to 2/1/14-8/31/14 only.

- A. For each RUG and supplemental reimbursement group for *reporting period 2/1/14 – 8/31/14*, enter in Column A from Step 5b of your cost report, the Medicaid days of service (including Medicaid Hospice, Star+Plus, and Dual-Eligible Demonstration days of service) provided during your reporting period. If you are not completing the report for the reporting period that includes any part of 2/1/14 – 8/31/14, do not complete Task A2 through A5.
- B. For each RUG and supplemental reimbursement group, multiply the reported days of service from Column A by the associated Minimum Required Medicaid LVN Equivalent Minutes per Resident Day from Column B. Enter the product in Column C.
- C. Sum the days of service by RUG for RUG groups RAD – PCE in Column A. Enter the result

- in Box A10.
- D. Sum the contents of Column C for RUG groups RAD - PCE. Enter the result in Box A11.
- E. Sum Boxes A11, A12, A13, and A14. Enter the result in Box A15.
- F. Enter the Total Medicaid Days of Service from Box A10 in Box A16.
- G. Divide Box A15 by Box A16. Enter the result in Box A17.

TASK A3

- A. Enter in Box A18 the Medicare Days of Service in Medicaid-contracted beds provided during your reporting period from Step 5b of your cost report.
- B. Multiply Box A18 by 173.64. Enter the result in Box A19.

TASK A4

- A. Enter in Box A20 the Other Days of Service in Medicaid-contracted beds from Step 5b of your cost report.
- B. Enter the lower of Box A17 or 9100.84 in the box provided.
- C. Multiply Box A20 by the lower of 100.84 or the value in Box A17. Enter the result in Box A21.

TASK A5

- A. Sum Boxes A15, A19, and A21. Enter the result in Box A22.
- B. Sum Boxes A10, A18, and A20. Enter the result in Box A23.
- C. Divide Box A22 by Box A23. Enter the result in Box A24.
- D. Box A24 represents the estimated minimum LVN equivalent minutes per resident day your facility was required to provide to participate in the Enhanced Direct Care Staff Rate during reporting period 2/1/14 – 8/31/14.

TASK A6 - All references to "reporting period" in the following Tasks refer to 9/1/14-8/31/15 only.

- A. For each RUG and supplemental reimbursement group for reporting period 9/1/14 – 8/31/15, enter in Column A from Step 5b of your cost report, the Medicaid days of service (including Medicaid Hospice, Star+Plus, and Dual-Eligible Demonstration days of service) provided during your reporting period. If you are not completing the report for the reporting period that includes any part of 9/1/14 – 8/31/15, do not complete Task A6 through A9.
- B. For each RUG and supplemental reimbursement group, multiply the reported days of service from Column A by the associated Minimum Required Medicaid LVN Equivalent Minutes per Resident Day from Column B. Enter the product in Column C.
- C. Sum the days of service by RUG for RUG groups RAD – PCE in Column A. Enter the result in Box A25.
- D. Sum the contents of Column C for RUG groups RAD - PCE. Enter the result in Box A26.
- E. Sum Boxes A26, A27, A28, and A29. Enter the result in Box A30.
- F. Enter the Total Medicaid Days of Service from Box A25 in Box A31.

- G. Divide Box A30 by Box A31. Enter the result in Box A32.

TASK A7

- A. Enter in Box A33 the Medicare days of service in Medicaid-contracted beds provided during your reporting period from Step 5b of your cost report.
B. Multiply Box A33 by 177.11. Enter the result in Box A34.

TASK A8

- A. Enter in Box A35 the other days of service in Medicaid-contracted beds from Step 5b of your cost report.
B. Enter the lower of Box A32 or 100.84 in the box provided.
C. Multiply Box A35 by the lower of 100.84 or the value in Box A32. Enter the result in Box A36.

TASK A9

- A. Sum Boxes A30, A34, and A36. Enter the result in Box A37.
B. Sum Boxes A25, A33, and A35. Enter the result in Box A38.
C. Divide Box A37 by Box A38. Enter the result in Box A39.
D. Box A39 represents the estimated minimum LVN equivalent minutes per resident day your facility was required to provide to participate in the Enhanced Direct Care Staff Rate during reporting period 9/1/14 – 8/31/15.

TASK A10 - All references to "reporting period" in the following Tasks refer to 9/1/15-12/31/15 only.

- A. For each RUG and supplemental reimbursement group for *reporting period 9/1/15– 12/31/15*, enter in Column A from Step 5b of your cost report, the Medicaid days of service (including Medicaid Hospice, Star+Plus, and Dual-Eligible Demonstration days of service) provided during your reporting period. If you are not completing the report for the reporting period that includes any part of 9/1/15 – 12/31/15 do not complete Task A10 through A13.
B. For each RUG and supplemental reimbursement group, multiply the reported days of service from Column A by the associated Minimum Required Medicaid LVN Equivalent Minutes per Resident Day from Column B. Enter the product in Column C.
C. Sum the days of service by RUG for RUG groups RAD – PCE in Column A. Enter the result in Box A40.
D. Sum the contents of Column C for RUG groups RAD - PCE. Enter the result in Box A41.
E. Sum Boxes A41, A42, A43, and A44. Enter the result in Box A45.
F. Enter the Total Medicaid Days of Service from Box A40 in Box A46.
G. Divide Box A45 by Box A46. Enter the result in Box A47.

TASK A11

- A. Enter in Box A48 the Medicare Days of Service in Medicaid-Contracted beds provided during your reporting period from Step 5b of your cost report.
- B. Multiply Box A48 by 177.11. Enter the result in Box A49.

TASK A12

- A. Enter in Box A50 the Other Days of Service in Medicaid-Contracted beds from Step 5b of your cost report.
- B. Enter the lower of Box A47 or 100.84 in the box provided.
- C. Multiply Box A50 by the lower of 100.84 or the value in Box A47. Enter the result in Box A51.

TASK A13

- A. Sum Boxes A45, A49, and A51. Enter the result in Box A52.
- B. Sum Boxes A40, A48, and A50. Enter the result in Box A53.
- C. Divide Box A52 by Box A53. Enter the result in Box A54.
- D. Box A54 represents the estimated minimum LVN equivalent minutes per resident day your facility was required to provide to participate in the Enhanced Direct Care Staff Rate during reporting period 9/1/15 – 12/31/15.

TASK A14

- A. Enter in Box A55 the additional LVN equivalent minutes required of your facility. If you do not know your facility's additional LVN equivalent minute requirement, you may determine it through the Rate Analysis webpage at: <http://www.hhsc.state.tx.us/rad/>.

From this website, select “Long-Term Services and Supports”, then click on “Nursing Facility (NF)”. Under the heading “Rate Enhancement – Direct Care Staff Compensation”, locate the appropriate year and click on “View Rate Enhancement - Direct Care Staff Compensation information”. Locate and click the heading called “Participation Status - Levels Awarded”, then click on “View participation status – levels awarded list”. Use the Microsoft “Find” feature (located on the “Edit” pulldown menu) to locate your contract number. Listed next to each contract number is that contract's additional LVN equivalent minute requirement (this is the “Level Awarded” number).

If your facility changed levels during the reporting period, you must calculate the weighted average level in effect during your reporting period. Calculate the weighted average level in effect by multiplying each level by the Medicaid units of service provided while the level was in effect during the reporting period, summing the products and dividing by the total number of Medicaid units of service provided during your reporting period.

- B. Enter in Box A56, the estimated LVN equivalent minutes per resident day provided during your reporting period from Box A9.
- C. Enter in Box A57, your estimated minimum required LVN equivalent minutes per resident day during your reporting period from Box O.
- D. Subtract Box A57 (estimated minimum required LVN equivalent minutes per resident day) from Box A56 (estimated provided LVN equivalent minutes per resident day). If the result is less than 0, enter 999 in Box A58; if the result is not a whole number, round down to the nearest whole number and enter that whole number in Box A58.
- E. Compare Box A58 to Box A55. If either box shows 999, enter 999 in Box A59. Otherwise enter the lower of the values in Box A58 and Box A55 in Box A59.

TASK A15 - All references to "reporting period" in the following Tasks refer to 2/1/14-8/31/14 only.

- A. For each RUG and supplemental reimbursement group for *reporting period 2/1/14 – 8/31/14*, enter in Column A the Medicaid Days (include Fee-For-Service, Star+Plus, and Dual-Eligible Demonstration; exclude Hospice) provided during your reporting period from Step 5b of your cost report. If you are not completing the report for the reporting period that includes any part of 2/1/14 – 8/31/14, do not complete Task A15. If the beginning or ending date of this report falls within the middle of this date range, only include the days of service provided within the reporting period of this report.
- B. For each RUG and supplemental reimbursement group, enter in Column B the RUG rates from Table 1 on Worksheet A5 associated with the staffing level achieved during your reporting period from Box A59.
- C. For each RUG and supplemental reimbursement group, multiple the value in Column A by the value in Column B and enter the result in Column C.
- D. Sum the days of service by RUG for RUG groups RAD – PCE in Column A. Enter the result in Box A60.
- E. Sum products in Column C for RUG groups RAD - PCE. Enter the result in Box A61.
- F. Sum Boxes A61, A62, A63 and A64. Enter the result in Box A65.
- G. Divide Box A65 by Box A60. Enter the result in Box A66. Box A66 is an estimate of your facility's direct care staff per diem revenue during its 2/1/14 – 8/31/14 reporting period prior to purchasing any minutes.

TASK A16 - All references to "reporting period" in the following Tasks refer to 9/1/14-8/31/15 only.

- A. For each RUG and supplemental reimbursement group for *reporting period 9/1/14 – 8/31/15*, enter in Column A the Medicaid Days (include Fee-For-Service, Star+Plus, and Dual-Eligible Demonstration; exclude Hospice) provided during your reporting period from Step 5b of your Cost report. If you are not completing the report for the reporting period that includes any part of 9/1/14 – 8/31/15, do not complete Task A16. If the beginning or ending date of this report falls within the middle of this date range, only include the days of service provided within the

- reporting period of this report.
- B. For each RUG and supplemental reimbursement group, enter in Column B the RUG rates from Table 2 on Worksheet A6 associated with the staffing level achieved during your reporting period from Box A59.
 - C. For each RUG and supplemental reimbursement group, multiple the value in Column A by the value in Column B and enter the result in Column C.
 - D. Sum the days of service by RUG for RUG groups RAD – PCE in Column A. Enter the result in Box A67.
 - E. Sum products in Column C for RUG groups RAD - PCE. Enter the result in Box A68.
 - F. Sum Boxes A68, A69, A70 and A71. Enter the result in Box A72.
 - G. Divide Box A72 by Box A67. Enter the result in Box A73. Box A73 is an estimate of your facility's direct care staff per diem revenue during its 9/1/14 – 8/31/15 reporting period prior to purchasing any minutes.

TASK A17- All references to "reporting period" in the following Tasks refer to 9/1/15-12/31/15 only.

- A. For each RUG and supplemental reimbursement group for reporting period 9/1/15 – 12/31/15, enter in Column A the Medicaid Days (include Fee-For-Service, Star+Plus, and Dual-Eligible Demonstration; exclude Hospice provided during your reporting period from Step 5b of your cost report. If you are not completing the report for the reporting period that includes any part of 9/1/15 – 12/31/15, do not complete Task A17. If the beginning or ending date of this report falls within the middle of this date range, only include the days of service provided within the reporting period of this report.
- B. For each RUG and supplemental reimbursement group, enter in Column B the RUG rates from Table 3 on Worksheet A7 associated with the staffing level achieved during your reporting period from Box A59.
- C. For each RUG and supplemental reimbursement group, multiple the value in Column A by the value in Column B and enter the result in Column C.
- D. Sum the days of service by RUG for RUG groups RAD – PCE in Column A. Enter the result in Box A74.
- E. Sum products in Column C for RUG groups RAD - PCE. Enter the result in Box A75.
- F. Sum Boxes A75, A76, A77 and A78. Enter the result in Box A79.
- G. Divide Box A79 by Box A74. Enter the result in Box A80. Box A80 is an estimate of your facility's direct care staff per diem revenue during its 9/1/15 – 12/31/15 reporting period prior to purchasing any minutes.

TASK A18

- A. Multiply your estimated direct care staff revenue per diem from Box Q by 0.85. Enter the product in Box A81. This is your estimated direct care staff spending requirement per diem for the reporting period.
- B. Divide your total direct care staff costs (sum Step 6c: RN Wages, LVN Wages, Medication

Aide Wages, Nurse Aide Wages, Employee Benefits/Insurance Direct Care Staff, Contract RN Wages, Contract LVN Wages, Contract Medication Aide Wages, Contract Certified Nurse Aide Wages and Step 7: TOTAL Direct Care Staff Payroll Taxes and Worker's Compensation for Medicaid Contracted Beds Only of your cost report) by your total days of service in Medicaid-contracted beds from Box A. Enter the quotient in Box A82. This is your estimated direct care staff cost per diem during the reporting period.

TASK A19

- A. Compare Box A81 to Box A82.
- B. If Box A82 is greater than or equal to Box A81, you are estimated **to have met** your direct care staff spending requirement and probably will not have dollars recouped for this purpose. Skip Worksheet B and continue with Worksheet C.
- C. If Box A82 is less than Box A81, you are estimated **not to have met** your direct care staff spending requirement. Complete Worksheet B to estimate dollars to be recouped.

TASK A20

Check all calculations for accuracy.

NOTE: This estimate is based upon the information reported on your 2015 Cost Report. If your 2015 Cost Report is not accurate or if you have made errors in completing this worksheet, this estimate will not be accurate.

WORKSHEET B:
Estimate Dollars to be Recouped
Due to 85% Direct Care Staff Spending Requirement

NOTE: Do not complete this worksheet if Box A82, Worksheet A was greater than or equal to Box A81, Worksheet A.

TASK B1

- A. Enter in Box B1 your facility's direct care staff spending requirement per diem from Box A81.
- B. Enter in Box B2 your facility's direct care staff cost per diem from Box A82.
- C. Subtract Box B2 from Box B1 and enter the result in Box B3. The value in Box B3 is an estimate of your recoupment per diem due to failure to meet the 85% direct care staff spending requirement before any mitigation for high dietary and fixed capital costs.

NOTE: If you have not reported both dietary and facility costs on your cost report, do not completed Tasks B2 through B6 and skip to Task B7.

TASK B2

- A. Enter in Box B4 your weighted average total dietary revenue per diem from Box K.
- B. Enter in Box B5 the sum of Step 8f: TOTAL DIETARY CARE COSTS and Step 7: TOTAL Dietary Staff Payroll Taxes and Worker's Compensation for all licensed nursing beds of your cost report.
- C. Enter in Box B6 your total days of service from Box E.
- D. Divide Box B5 by Box B6 and enter the quotient in Box B7. The value in Box B7 is your dietary cost per diem.
- E. Compare Box B4 to Box B7.
- F. If Box B4 is greater than Box B7, subtract Box B7 from Box B4 and enter the result in Box B8. If Box B4 is less than or equal to Box B7, enter "0" in Box B8. Box B8 is your dietary revenue surplus.
- G. If Box B7 is greater than Box B4, subtract Box B4 from Box B7 and enter the result in Box B9. If Box B7 is less than or equal to Box B4, enter "0" in Box B9. Box B9 is your dietary cost surplus.

TASK B3

- A. Multiply your Medicaid-Contracted beds from Step 5a * of your cost report by the number of

calendar days in your reporting period. Enter the product in Box B10. Box B10 is your potential days of service, which is the number of days of service your facility could have provided if every Medicaid-Contracted bed was occupied every day of your reporting period.

* If the answer to Step 5a: "Did the number of contracted beds change during the reporting period?" is "Yes," multiply the average number of beds (rather than the number of beds reported in Step 5a) contracted with the Medicaid program during the reporting period by the number of calendar days in your reporting period.

- B. Divide your actual days of service in contracted beds from Box A by your potential days of service from Box B10. Enter the quotient in Box B11. Box B11 is your occupancy rate.
- C. If Box B11 is greater than or equal to .85, enter "0" in Box B12. If Box B11 is less than .85, divide Box B11 by .85, subtract the quotient from 1 and enter the result in Box B12. Box B12 is your occupancy adjuster.
- D. Divide your total facility costs (Step 8f) by your total days of service from Box E. Enter the quotient in Box B13. Box B13 is your facility cost per diem.
- E. Multiply Box B13 by Box B12. Subtract the product from Box B13 and enter the result in Box B14. Box B14 is your occupancy-adjusted facility cost per diem.
- F. Enter in Box 15 the fixed capital revenue per diem from Box L.
- G. Compare Box B15 to Box B14. If Box B15 is greater than Box B14, subtract Box B14 from Box B15 and enter the result in Box B16. If Box B15 is less than or equal to Box B14, enter "0" in Box B16. Box B16 is your fixed capital revenue surplus
- H. Compare Box B14 to Box B15. If Box B14 is greater than Box B15, subtract Box B15 from Box B14 and enter the result in Box B17. If Box B14 is less than or equal to Box B15, enter "0" in Box B17. Box B17 is your fixed capital cost surplus.

TASK B4

- A. If Box B9 equals "0", enter "0" in Box B18. If Box B9 is greater than "0", subtract Box B16 from Box B9 and enter the result in Box B18.
- B. If Box B18 is greater than 2.00, enter 2.00 in Box B19. If Box B18 is less than "0", enter "0" in Box B19. Otherwise, Box B19 equals Box B18. Box B19 is your final dietary mitigation per diem.

TASK B5

- A. If Box B17 equals "0", enter "0" in Box B20. If Box B17 is greater than "0", subtract Box B8 from Box B17 and enter the result in Box B20.
- B. If Box B20 is greater than 2.00, enter 2.00 in Box B21. If Box B20 is less than "0", enter "0" in Box B21. Otherwise, Box B21 equals Box B20. Box B21 is your final fixed capital mitigation per diem.

TASK B6

Sum Boxes B19 and B21. Multiply the sum by actual Medicaid days of service from A60, A67 and A74. Enter the product in Box B22. Box B22 is your total mitigation.

TASK B7

- A. Enter in Box B23, your total mitigation from Box B22.
- B. Multiply Box B3 by actual Medicaid days of service from A60, A67 and A74. Subtract Box B23 from this product. Enter the result in Box B24. Box B24 is an estimate of your dollars to be recouped due to failure to meet your direct care staff spending requirements if your spending recoupment is not limited to your nonparticipant rate. (See Tasks B8 – B10 below to determine if your spending recoupment is limited to your nonparticipant rate).
- A. **TASK B8- All references to "reporting period" in the following Tasks refer to 2/1/14-8/31/14 only.** For each RUG and supplemental reimbursement group for *reporting period 2/1/14 – 8/31/14*, enter in Column A the Medicaid Days (include Fee-For-Service, Star+Plus, and Dual-Eligible Demonstration; exclude Hospice) provided during your reporting period from Step 5b of your cost report.
- B. For each RUG and supplemental reimbursement group, multiply the reported days of service from Column A by the associated nonparticipant Direct Care Staff Per Diem rate from Column B. Enter the product in Column C.
- C. Sum the days of service by RUG for RUG groups RAD - PCE in Column A. Enter the result in Box B25.
- D. Sum the contents of Column C for RUG for RUG groups RAD - PCE. Enter the result in Box B26.
- E. Sum Boxes B26, B27, B28, and B29. Enter the result in Box B30.

TASK B9 - All references to "reporting period" in the following Tasks refer to 9/1/14-8/31/15 only.

- A. For each RUG and supplemental reimbursement group for *reporting period 9/1/14 – 8/31/15*, enter in Column A the Medicaid Days (include Fee-For-Service, Star+Plus, and Dual-Eligible Demonstration; exclude Hospice) provided during your reporting period from Step 5b of your cost report.
- B. For each RUG and supplemental reimbursement group, multiply the reported days of service from Column A by the associated nonparticipant Direct Care Staff Per Diem rate from Column B. Enter the product in Column C.
- C. Sum the days of service by RUG for RUG groups RAD - PCE in Column A. Enter the result in Box B31.
- D. Sum the contents of Column C for RUG for RUG groups RAD - PCE. Enter the result in Box B32.
- E. Sum Boxes B32, B33, B34, and B35. Enter the result in Box B36.

TASK B10 - All references to "reporting period" in the following Tasks refer to 9/1/15-12/31/15 only.

- A. For each RUG and supplemental reimbursement group for *reporting period 9/1/15 – 12/31/15*, enter in Column A the Medicaid Days (include Fee-For-Service, Star+Plus, and Dual-Eligible Demonstration; exclude Hospice) provided during your reporting period from Step 5b of your cost report.
- B. For each RUG and supplemental reimbursement group, multiply the reported days of service from Column A by the associated nonparticipant Direct Care Staff Per Diem rate from Column B. Enter the product in Column C.
- C. Sum the days of service by RUG for RUG groups RAD - PCE in Column A. Enter the result in Box B37.
- D. Sum the contents of Column C for RUG for RUG groups RAD - PCE. Enter the result in Box B38.
- E. Sum Boxes B38, B39, B40, and B41. Enter the result in Box B42.

TASK B11

- A. Enter in Box B43, your total direct care staff revenue prior to purchasing any minutes from the sum of Boxes A65, A72 and A79.
- B. Enter in Box B44, your total nonparticipant direct care staff revenue from the sum of Boxes B30, B36 and B42.
- C. Subtract Box B44 from Box B43 and enter the result in Box B45.

TASK B12

- A. If Box B24 (your estimated spending dollars to be recouped if spending recoupment is not limited to the nonparticipant rate) is less than or equal to Box B45 (your estimated spending dollars to be recouped if spending recoupment is limited to the nonparticipant rate), your estimated dollars to be recouped due to failure to meet your spending requirements is equal to Box B24.
- B. If Box B24 is greater than Box B45, your estimated dollars to be recouped due to failure to meet your spending requirements is equal to Box B45.

TASK B13

Check all calculations to ensure accuracy.

NOTE: This estimate is based upon information reported in your 2015 Cost Report. If any of this information is incorrect or if you have made errors in your worksheet calculations, this estimate will be incorrect. HHSC will notify you of your actual recoupment after verification of the 2015 Cost Report.

WORKSHEET C:

Estimate Compliance with Staffing Requirements

TASK C1

- A. Enter in Box C1, your facility's estimated minimum required LVN equivalent minutes per resident day from Box O.
- B. Enter in Box C2, your facility's additional required LVN equivalent minutes per resident day from Box A55.
- C. Sum Boxes C1 and C2 and enter the result in Box C3. This is your facility's total estimated required LVN equivalent minutes per resident day for your reporting period.

TASK C2

Compare Box A9 to Box C3. If Box A9 is greater than or equal to Box C3, you are estimated to **have met** your staffing requirements for the reporting period with unadjusted minutes. Do not complete Worksheets D and E. If Box A9 is less than Box C3, you are estimated **not to have met** your staffing requirements for the reporting period with unadjusted minutes. Complete Worksheet D for an estimate of your adjusted minutes.

WORKSHEET D:

Estimate adjusted staffing level

NOTE: Rules adopted effective December 1, 2001 allow facilities with high direct care costs to mitigate staffing recoupments to the extent that enhancements are expended on direct nursing staff compensation. The adjusted staffing level calculated on this worksheet is the facility's estimated staffing level after accounting for any mitigation of staffing recoupments due to high direct care costs.

TASK D1

- A. Enter in Box D1 your estimated unadjusted staffing level in LVN equivalent minutes per resident day from Box A9.
- B. Enter in Box D2 the facility's direct care revenue for staffing level achieved from Box Q.
- C. Multiply Box D2 by Box D3 and enter the result in Box D4. This is the facility's direct care spending requirement associated with its direct care revenue for the staffing level it achieved with unadjusted minutes.
- D. Enter in Box D5 the direct care cost per unit of service from Box A82.
- E. Subtract Box D4 from Box D5 and enter the result in Box D6. This is the facility's estimated

- direct care staff expense surplus.
- F. If the value in Box D6 is less than or equal to zero, your facility is not estimated to qualify for mitigation of staffing recoupment due to high direct care costs; enter a “1” in Box D7 and skip to Box D9. If the value in Box D6 is greater than zero, enter a “2” in Box D7 and continue with Box D8.
- G. Divide Box D6 by the weighted average enhancement level increment from Box M and enter the result in Box D8. This is the estimated number of additional LVN equivalent minutes the facility qualifies for due to high direct care costs.
- H. If D7 equals “1”, enter the value from Box D1 in Box D9. If Box D7 equals “2”, sum Boxes D1 and D8 and enter the result in Box D9. Box D9 is your adjusted LVN equivalent minutes after mitigation of staffing requirements for facilities with high direct care costs.

TASK D2

Compare Box D9 to Box C3. If Box D9 is greater than or equal to Box C3, your facility is estimated to **have met** its staffing requirements with adjusted minutes. Do not complete Worksheet E. If Box D9 is less than Box C3, your facility is estimated **not to have met** its staffing requirements even with adjusted minutes. Complete Worksheet E for an estimate of your staffing recoupment.

TASK D3

Check all calculations to ensure accuracy.

NOTE: The values in Boxes C3 and D9 are estimates based upon the units of service and staff hours you reported on your 2015 Cost Report. If any of the information on your report is incorrect or if you have made errors in your worksheet calculations, these estimates will be incorrect.

WORKSHEET E: ***Estimate Dollars to be Recouped*** ***Due to Failure to Meet Staffing Requirements***

NOTE: If Worksheets C or D indicates that your facility met its staffing requirements, do not complete Worksheet E.

TASK E1

- A. Enter in Box E1, your additional required LVN equivalent minutes from Box C2.
- B. Enter in Box E2, your estimated adjusted LVN equivalent minutes per resident day from Box D9.
- C. Enter in Box E3, your estimated minimum required LVN equivalent minutes per resident day

- from Box C1.
- D. Calculate your achieved staffing level by subtracting Box E3 from Box E2. If the result is greater than 27, enter 27 in Box E4; if the result is less than 0, enter 999 in Box E4; if the result is not a whole number, round down to the nearest whole number and enter that whole number in Box E4.

TASK E2 - All references to "reporting period" in the following Tasks refer to 2/1/14-8/31/14 only.

- A. For each RUG and supplemental payment group for reporting period 2/1/14 – 8/31/14, enter in Column A, the direct care RUG rates from Worksheet A5 Table 1 for the 2014 Enhancement level awarded. These are the rates you were paid for direct care during your reporting period.
- B. For each RUG and supplemental payment group for reporting period 2/1/14 – 8/31/14, enter in Column B, the direct care RUG rates from Worksheet A5 Table 1 for the level indicated in Box E4. These are the rates you should have been paid for direct care for your reporting period based upon your staffing as captured in your cost report.
- C. For each RUG and supplemental reimbursement group, enter in Column C the Medicaid days of service provided during your reporting period from Step 5b of your cost report. Include Fee-For Service, Star+Plus, and Dual-Eligible Demonstration; exclude Hospice.
- D. For each RUG and supplemental reimbursement group, subtract the value in Column B from the value in Column A. and multiply the result by the value in Column C. Enter the product in Column D.
- E. Sum the values in Column D and enter the result on Box E5. This is your estimated total recoupment for failure to meet your staffing requirements during reporting period 2/1/14 – 8/31/14.

TASK E3 - All references to "reporting period" in the following Tasks refer to 9/1/14-8/31/15 only.

- A. For each RUG and supplemental payment group for reporting period 9/1/14 – 8/31/15, enter in Column A, the direct care RUG rates from Worksheet A6 Table 2 for the 2015 Enhancement level awarded. These are the rates you were paid for direct care during your reporting period.
- B. For each RUG and supplemental payment group for reporting period 9/1/14 – 8/31/15, enter in Column B, the direct care RUG rates from Worksheet A6 Table 2 for the level indicated in Box E4. These are the rates you should have been paid for direct care for your reporting period based upon your staffing as captured in your cost report.
- F. For each RUG and supplemental reimbursement group, enter in Column C the Medicaid days of service provided during your reporting period from Step 5b of your cost report. Include Fee-For Service, Star+Plus, and Dual-Eligible Demonstration; exclude Hospice.
- C.
- D. For each RUG and supplemental reimbursement group, subtract the value in Column B from the value in Column A. and multiply the result by the value in Column C. Enter the product in

Column D.

- E. Sum the values in Column D and enter the result on Box E6. This is your estimated total recoupment for failure to meet your staffing requirements during reporting period 9/1/14 – 8/31/15.

TASK E4 - All references to "reporting period" in the following Tasks refer to 9/1/15-12/31/15 only.

- A. For each RUG and supplemental payment group for *reporting period 9/1/15 – 12/31/15* enter in Column A, the direct care RUG rates from Worksheet A7 Table 3 for the 2016 Enhancement level awarded. These are the rates you were paid for direct care during your reporting period.
- B. For each RUG and supplemental payment group for *reporting period 9/1/15 – 12/31/15*, enter in Column B, the direct care RUG rates from Worksheet A7 Table 3 for the level indicated in Box E4. These are the rates you should have been paid for direct care for your reporting period based upon your staffing as captured in your cost report.
- G. For each RUG and supplemental reimbursement group, enter in Column C the Medicaid days of service provided during your reporting period from Step 5b of your cost report. Include Fee-For Service, Star+Plus, and Dual-Eligible Demonstration; exclude Hospice.
- C.
- D. For each RUG and supplemental reimbursement group, subtract the value in Column B from the value in Column A and multiply the result by the value in Column C. Enter the product in Column D.
- E. Sum the values in Column D and enter the result on Box E7. This is your estimated total recoupment for failure to meet your staffing requirements during reporting period 9/1/15 – 12/31/15.

TASK E5

Check all calculations to ensure accuracy.

NOTE: The sum of Boxes E5, E6 and E7 are an estimate based upon the units of service and staff hours you reported on your 2015 Cost Report. If any of the information on your report is incorrect or if you have made errors in your worksheet calculations, these estimates will be incorrect.